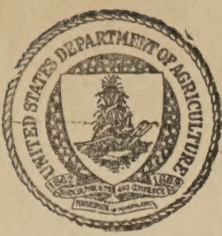
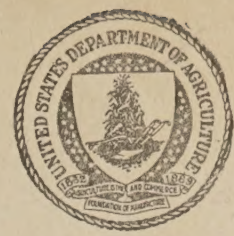


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U. S. DEPARTMENT OF AGRICULTURE
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RELEASED FOR PUBLICATION 1 P. M., WEDNESDAY, JANUARY 14, 1925:

REPORT ON LIVESTOCK SITUATION
SENT TO PRESIDENT BY CONFERENCE



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Ag 81 Act

The following report on the emergency in the livestock industry was submitted to President Coolidge this noon by the Agricultural Conference through its chairman, Robert D. Carey:

REPORT OF THE PRESIDENT'S AGRICULTURAL
CONFERENCE ON THE EMERGENCY IN THE
LIVE STOCK INDUSTRY.

In response to the request of the President, the Conference is endeavoring to point out such practical steps as may be taken to put agriculture upon a business basis. At the outset of its deliberations, the Conference was confronted by suggestions for the creation of new governmental agencies and for the making of large appropriations for the assistance of different branches of agriculture. But, in sympathy with the President's desire for decreased tax burdens and further simplicity of governmental operations, it will be the effort of the Conference to find a solution of the problems as far as possible by better utilization of existing governmental institutions and by the indication of amendments to existing laws and pending legislation and the presentation of suggestions by which the farmer himself may improve his own business position.

Numerous comprehensive reports of public commissions and conferences, such as the report of the Agricultural Conference of 1922

and of the Joint Commission of Agricultural Inquiry and numerous trade reports, present adequate discussion of existing situations and of economic, social, and political causes and effects which are related to agricultural conditions and needs. For this reason, the Conference plans to submit concrete recommendations rather than elaborate reports of conditions or technical discussions.

The scope of the work of this Conference necessarily divides itself into: first, a report on the emergency situation in the livestock industry; second, a report on necessary legislation; third, a report on the administration by the Government of matters which affect agriculture; fourth, a study of the important problems of the industries of the country; and finally, a discussion of these problems which must be solved by the farmers of the country as a part of the responsibilities which lie directly with the producers themselves.

This report deals with the emergency in the livestock industry to which attention was called by the President at the first meeting of the Conference. Reports dealing with other matters will be submitted from time to time.

THE CATTLE SITUATION

In recent months there has been a very heavy forced liquidation of the cattle industry which has been caused in part by a shortage of feed, but principally by the calling of loans by private financing agencies. During the war and immediately after many were encouraged to engage in the industry and extensive loans were made on cattle at excessive valuation. The action of the Government in making advances to the livestock industry, through the War Finance Corporation, has

materially aided in absorbing the shock of deflation. Evidence at hand indicates that the breeding stock now on farms and ranges has been reduced to the point where future production will not be greatly in excess of normal demand. Therefore confidence in the industry is warranted and those adjustments which will assist in putting it on a sound and efficient basis, should be made as speedily as possible. These adjustments should deal with finance, transportation costs, tariff and grazing.

FINANCE

The Conference found that the cattle industry was faced with a serious shortage of credit facilities. The break-down of the old packer-controlled livestock loan companies, the weakened and restricted condition of many local banks of the range country, the lack of available primary discount agencies lie at the root of the present credit problem of the cattlemen. The Federal Intermediate Credit Bank has adequate funds and by law is empowered to advance the necessary money to take care of sound livestock loans wherever they may be presented through solvent, well-managed discount agencies. It is necessary at this time that the Federal Intermediate Credit Banks should assume the full responsibility by aggressively and sympathetically undertaking to cover the field and thus support and supplement the normal financing of livestock paper. The Conference fully recognizes that only such loans should be made through the Federal Intermediate Credit Banks as are safe and will carry the confidence of the investors in government debentures. It therefore recommends that:

1. - The Federal Farm Loan Board, which administers the Federal Intermediate Credit Bank, be requested to send its Chairman, together with the member of the Board who is specially charged with the administration of the Federal Intermediate Credit Banks and such other representatives as the Board may deem necessary, to enter upon an immediate campaign to present to the cattlemen, bankers, and commercial institutions of the various states, the information that the Intermediate Credit Banks are able and willing to provide adequate rediscount facilities for all sound loans to livestock raisers, and that for this purpose there need only be organized, or continued, stable discount agencies.

In this connection, it is also recommended that the representatives of the Federal Farm Loan Board should most carefully review the personnel of the various Intermediate Credit Banks to see that those who are employed are not only conversant with banking principles but are also conversant with the needs of agriculture, including the livestock industry, and are sympathetic in promptly assuming the responsibility of meeting the financial needs of agriculture in their respective localities.

The Conference has been assured by the Chairman of the Federal Farm Loan Board that it stands ready to carry out this program.

2. - A special report be made by the Chairman of the Federal Farm Loan Board to the President on July 1, 1925, indicating such progress as has been made in meeting this emergency.

3. - The Agricultural Credits Act be amended by eliminating the provision that prohibits the rediscounting by Federal Intermediate Credit Banks of loans negotiated by Federally chartered agricultural credit agencies.

TRANSPORTATION.

By reason of the horizontal changes in freight rates during recent years and of greater depression of prices of agricultural products than of those of other products, during the same period, the raw products of agriculture are now bearing a relatively excessive cost for transportation. A special burden is laid upon the cattle industry by this situation. A serious emergency exists not only in freight rates, but also in the lack of provision of inter-line rates and in routing arrangements. The Conference will, therefore, announce its recommendations concerning the consideration of transportation service and costs for agricultural products, including livestock, in a subsequent report. It does wish to emphasize at this time its conviction that while adequate service is essential, the welfare of agriculture also demands an early and thorough revision of the freight rate structure to relieve the raw products of agriculture and livestock from their disproportionate share of transportation costs.

TARIFF.

The cattle industry is suffering through the lack of tariff protection from competition with hides and meat products from foreign countries produced by cheaper labor and under different standards of production. Other agricultural enterprises are also suffering from similar competition, much of which has recently become more acute. While the Conference recognizes this difficulty as one factor in the distressing situation of the livestock industry, it believes it best to reserve its recommendations concerning tariff

protection to the cattle producer until a later report in which its general conclusions concerning protection against foreign competition in agricultural products may be presented.

GRAZING.

The policy of free and unrestricted grazing on the Public Domain has unduly encouraged many to undertake livestock raising and also caused those already engaged in the business to increase their herds and flocks. With high prices, there has always been a tendency to increase livestock on a free range. As a result this land has been over-stocked, its grazing value is greatly reduced, much of the livestock is of inferior quality, and great losses have been incurred. This policy has hindered efficient operation on the part of stockmen.

In contrast with unrestricted grazing on the Public Domain, grazing in the national forests is regulated. This has resulted in improving the quality of the range and the production of cattle therein. The Conference recommends that the unappropriated Public Domain should be placed under lease and that there should be a uniform policy agreed upon for the administration of grazing on the public lands and in the national forests. In order to determine the administration, rules, regulations and fees governing grazing the Conference further suggests the appointment of a committee created essentially as follows: (a) One member who shall be the Secretary of Agriculture or his representative; (b) one member who shall be the Secretary of the Interior or his representative; and (c) three members, two of whom shall represent the

livestock grazing industry, appointed by the Secretaries of Agriculture and the Interior acting jointly.

Until such time as a uniform plan of leasing is agreed upon, the Conference recommends that there be no increase in fees charged for grazing in the national forests.

IMPROVEMENTS IN METHODS.

Both cattlemen, and the agencies through which they are financed, should realize that in addition to adjustments with respect to such matters as finance, transportation costs and the tariff, adjustments with a view to improving methods of production and management are also necessary to bring about a satisfactory stabilization of the cattle industry.

Efficient and economical production depends in large part upon high breeding capacity in the herd, good management of the grazing and winter-feed-producing areas, and a wise determination of the class of cattle that should be marketed from the range involved.

DUE MAY 24 1961

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